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## **IRFC to raise INR 4000 crore in 2009-10**

*Friday, 20 Nov, 2009*

Having already mobilised INR 5270 crore in the current fiscal, the Indian Railway Finance Corporation will be raising INR 4000 crore in the remaining part of 2009-10.

As per report to raise these funds, it will use a combination of instruments such as tax free bonds, 15 to 20 year taxable bonds, term loans and securitisation deals. But the exact break-up is not yet decided.

Mr R Kashyap MD of IRFC, told Business Line that “We are waiting for clarity from the Finance Ministry on the exact amount of tax free bonds that we can issue in the current fiscal. Then, we also have to look at the market appetite for tax free bonds.”

IRFC has an in principle approval to raise INR 5000 crore through tax-free bonds.

The company is also trying to obtain additional equity infusion of INR 291 crore from the Railway Ministry. The Ministry is considering the proposal. After the equity infusion, the paid up equity of IRFC will be INR 1000 crore which also is the current authorised capital of the company.

This step is being taken to ensure that the debt-equity ratio of IRFC is well within the 10:1 limit, as is the Government norm for NBFCs.

(Sourced from Business Line)

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